



October 23, 2023

Via Electronic Filing

Caroline Thomas Jacobs, Director
Office of Energy Infrastructure Safety
California Natural Resources Agency
Sacramento, CA 95814
efiling@energysafety.ca.gov

Subject: Public Advocates Office Opening Comments on Liberty's Revised 2023-2025 Wildfire Mitigation Plan

Docket: 2023-2025-WMPs

Dear Director Thomas Jacobs,

The Public Advocates Office at the California Public Utilities Commission (Cal Advocates) respectfully submits the following comments on the revised 2023-2025 Wildfire Mitigation Plan of Liberty Utilities (CalPeco Electric) LLC (Liberty). Please contact Nathaniel Skinner (Nathaniel.Skinner@cpuc.ca.gov) or Henry Burton (Henry.Burton@cpuc.ca.gov) with any questions relating to these comments.

We respectfully urge the Office of Energy Infrastructure Safety to adopt the recommendations discussed herein.

Sincerely yours,

/s/ **Marybelle Ang**

Marybelle Ang
Attorney

Public Advocates Office
California Public Utilities Commission
505 Van Ness Avenue
San Francisco, California 94102
Telephone: (415) 696-7329
E-mail: Marybelle.Ang@cpuc.ca.gov

520618667

The Public Advocates Office
California Public Utilities Commission
505 Van Ness Avenue, San Francisco, CA 94102-3298
www.publicadvocates.cpuc.ca.gov

TABLE OF CONTENTS

| | <u>Page</u> |
|---|--------------------|
| I. INTRODUCTION | 1 |
| II. DISCUSSION..... | 1 |
| A. Critical Issues Rn-Lu-23-01: Procedures For Independent Review Of Risk Modeling. | 1 |
| 1. Energy Safety should require Liberty to provide quarterly updates on Liberty’s risk model transition..... | 1 |
| 2. Energy Safety should require Liberty to report on independent review procedures and risk model datasets, inputs, and outputs. | 3 |
| B. Critical Issue RN-LU-23-03: strategy to address past-due work orders..... | 4 |
| 1. Liberty’s Revised WMP does not comply with Energy Safety’s Revision Notice..... | 4 |
| 2. Liberty fails to provide an analysis of the potential risk implications from not completing detailed distribution inspections for a year. | 5 |
| 3. Energy Safety should require Liberty to provide the required options analysis of reducing versus completely halting detailed inspections. | 6 |
| 4. Energy Safety should require Liberty to perform and submit the required analyses prior to final approval of Liberty’s 2023-2025 WMP. | 7 |
| III. CONCLUSION..... | 7 |

I. INTRODUCTION

Pursuant to the Office of Energy Infrastructure Safety’s (Energy Safety) *Final 2023-2025 Wildfire Mitigation Plan Process and Evaluation Guidelines* (2023 WMP Process Guidelines) and the *Revision Notice for Liberty’s 2023-2025 Wildfire Mitigation Plan* (Revision Notice),¹ the Public Advocates Office at the California Public Utilities Commission (Cal Advocates) submits these comments on the Liberty Utilities (CalPeco Electric) LLC (Liberty) *2023-10-6 Liberty 2023 WMP R2* (Revised 2023-2025 WMP).²

Liberty filed its *2023-2025 Wildfire Mitigation Plan* on May 8, 2023 (Initial 2023-2025 WMP).³ Cal Advocates filed comments on Liberty’s Initial 2023-2025 WMP on June 29, 2023. On September 6, 2023, Energy Safety issued the Revision Notice to Liberty. Liberty filed its Revised 2023-2025 WMP and its Revision Notice Response on October 6, 2023.

The Revision Notice permits interested persons to file opening comments by October 23, 2023 and reply comments by November 2, 2023. These comments address Liberty’s Revised 2023-2025 WMP, focusing on the new or revised elements.

II. DISCUSSION

A. Critical Issues RN-LU-23-01: procedures for independent review of risk modeling.

1. Energy Safety should require Liberty to provide quarterly updates on Liberty’s risk model transition.

In its Revision Notice, Energy Safety directs Liberty to provide additional information on procedures to review data used in Liberty’s risk modeling and in the risk-modeling inputs provided to vendors.⁴ The Revision Notice requirements seek to clarify what processes Liberty currently uses to verify the data used in risk modeling. Cal Advocates supports the goals of these revision notice requirements.

¹ Office of Energy Infrastructure Safety’s (Energy Safety), *Final 2023-2025 Wildfire Mitigation Plan Process and Evaluation Guidelines*, December 6, 2022; *Revision Notice for Liberty’s 2023-2025 Wildfire Mitigation Plan*, September 6, 2023 (Revision Notice), at 10-11 and page 2 of the cover letter.

² Liberty, *2023-10-06 Liberty 2023 WMP R2*, October 6, 2023 (Revised 2023-2025 WMP). Citations in these comments refer to the clean (not redlined) version of Liberty’s Revised 2023-2025 WMP.

³ All references to “Liberty’s Initial 2023-2025 WMP” in these comments refer to the May 8, 2023 Wildfire Mitigation Plan version (2023-05-05_Liberty_2023_WMP_R0).

⁴ Revision Notice at 4.

In its Revision Notice Response, Liberty provides a list of data used in risk modeling and a description of the independent review processes.⁵ However, Liberty's estimated timeframe until the risk model transition occurs is open-ended and vague. According to Liberty's Revised 2023-2025 WMP, Liberty plans to utilize an updated version of its wildfire risk model starting in the third quarter of 2024, which is more than halfway through the current WMP cycle.⁶

In opening comments on Liberty's 2023-2025 WMP, Cal Advocates expressed concerns related to Liberty's risk model implementation and recommended requiring Liberty to submit a quarterly progress report on all developments made by the utility.⁷ Regular progress reporting remains necessary to monitor Liberty's progress towards an effective risk model with data that is accurate and has been verified. Progress reporting will also create a tool to implement revisions to the process, if necessary.

Liberty states that its risk modeling is in the early stages of development.⁸ Given this status, *now* is a critical time for Energy Safety and interested stakeholders to provide feedback to Liberty on how to improve the risk modeling review processes. Requiring quarterly updates would not only allow Energy Safety and stakeholders Liberty's progress, but would also identify if Liberty falls behind in implementing its risk model.

In sum, Energy Safety should require Liberty to provide a quarterly update, starting from the fourth quarter of 2023 and continuing until the risk model transition is complete. These updates should be submitted in tandem with the WMP quarterly reports. The quarterly risk model updates should include the following information:

- Report on all new developments that occurred in the current quarter pertaining to Liberty's risk model, datasets, inputs, and outputs;
- Provide a summary of changes, as Liberty's risk model will continue to evolve with no specific date for completion;⁹ and
- Provide a brief update on whether Liberty is on track to meet its implementation milestones for its risk modeling.

⁵ Revised 2023-2025 WMP at 101-103.

⁶ Revised WMP at 106.

⁷ *Comments of the Public Advocates Office on Liberty's 2023 to 2025 Wildfire Mitigation Plan*, June 29, 2023, at 9-10.

⁸ Revised 2023-2025 WMP at 103.

⁹ Revised 2023-2025 WMP at 105.

It is essential that Energy Safety require reports with this information to ensure Liberty's timely progress on risk modeling and to measure the effectiveness of Liberty's risk modeling during this WMP cycle. With these reporting requirements, Energy Safety can achieve better insight into Liberty's risk modeling review processes.

2. Energy Safety should require Liberty to report on independent review procedures and risk model datasets, inputs, and outputs.

Energy Safety's Revision Notice directs Liberty to provide information on the procedures Liberty expects to use for model validation.¹⁰ This requirement serves to clarify Liberty's procedures to verify the model input data and the model outputs.

Liberty states that it currently does not have formal independent review procedures or additional triggers to review its risk modeling datasets, risk model inputs, and risk model outputs.¹¹ Liberty identified three different potential model validation activities related to independent review processes.¹² However, these validation activities will not be applied until the risk modeling implementation has been completed, which is projected for the third quarter of 2024.¹³

Liberty should develop a plan for model validation as soon as possible, and Energy Safety should require Liberty to submit a plan in its WMP Update submission for 2025. Liberty should report on all independent review processes or review triggers for risk modeling data sets, risk model inputs and outputs. As part of this requirement, Energy Safety should also direct Liberty to describe the results or recommendations from any completed independent reviews of

¹⁰ Revision Notice at 4. Model validation activities here include independent review, additional review triggers, and routine review scheduling.

¹¹ Revised 2023-2025 WMP at 103:

As Liberty's risk modeling is in the early stages of development, Liberty currently does not have additional formal independent review procedures or additional review triggers established for reviewing its risk modeling datasets, risk model inputs, or risk model outputs. Liberty does not have results or recommendations from independent review of its risk modeling data at this time.

¹² Revised 2023-2025 WMP at 104-105: "Once the initial wildfire risk model implementation is complete, procedures Liberty expects to apply for the following model validation activities include" Technosylva independent review, Direxyon independent review, and additional Liberty internal review.

¹³ Liberty's Revised 2023-2025 WMP at 105: "Internal and vendor reviews will begin with the completion of this initial risk model transition in Q3 2024."

its risk modeling data. This would inform Energy Safety and stakeholders about Liberty’s progress on establishing formalized review processes.

B. Critical Issue RN-LU-23-03: strategy to address past-due work orders.

1. Liberty’s Revised WMP does not comply with Energy Safety’s Revision Notice.

In its Initial 2023-2025 WMP, Liberty stated that it will halt detailed distribution inspections in 2023 and instead shift resources to respond to and close out its backlog of past-due work orders.¹⁴ In comments on Liberty’s Initial 2023-2025 WMP, Cal Advocates expressed concern with Liberty’s decision to halt detailed asset inspections in order to perform “catch up” maintenance. Liberty’s decision would greatly hinder Liberty’s identification of any potentially critical vulnerabilities in 2023.¹⁵

Energy Safety critiqued Liberty’s strategy to address the past-due work orders and directed Liberty to support its decision making. Energy Safety’s Revision Notice requires Liberty to provide various analyses and plans related to its strategy to address past-due work orders.¹⁶ Among other things, the Revision Notice directs Liberty to provide:

- An analysis of options “including a comparison between reducing the number of detailed asset inspections and halting all detailed asset inspections,”¹⁷ and
- An analysis of “the potential increased risk from not completing detailed distribution inspections for a year.”¹⁸

¹⁴ Revision Notice at 6.

¹⁵ *Comments of the Public Advocates Office on Liberty’s 2023 to 2025 Wildfire Mitigation Plan*, June 29, 2023, at 14.

¹⁶ Revision Notice at 6, Section 3.2.2.1: Required Remedies.

¹⁷ Revision Notice at 6. “This analysis must at a minimum include weighing pros and cons for each alternative, expected time and cost for completion, and feasibility.”

¹⁸ Revision Notice at 7:

The analysis must encompass how Liberty plans on lowering such risk, which must include but not be limited to the following:

Prioritization of highest risk areas; Explanation of monitoring being completed, including through its 2023 Resiliency Project, and how it compares to detailed inspections; Implementation of other alternatives to detailed inspections (such as smaller-scale inspections outside of routine patrols); Plans for catching up on potential inspection backlogs; Potential greater-than-average increases in work order numbers due to missing a year of inspections.

In its Revised 2023-2025 WMP, Liberty forecasts December 31, 2025, as the date for the completion of all repairs from the backlog of work orders.¹⁹ However, Liberty fails to reasonably address the two analyses included in the Revision Notice requirements, as discussed in the following sections of these comments. These analyses are crucial to understand the potential safety and reliability impacts to customers resulting from Liberty’s chosen strategy to halt detailed inspections in 2023 to address the backlog of past-due work orders.

2. Liberty fails to provide an analysis of the potential risk implications from not completing detailed distribution inspections for a year.

Energy Safety’s Revision Notice requires Liberty to provide an analysis of the “potential increased risk from not completing detailed distribution” asset inspections for a year.²⁰ As part of the required remedy, Liberty must conduct an analysis that covers five different topics related to risk mitigation. Liberty’s response is nominal and does not fully address Energy Safety’s requirements. Liberty’s Revised WMP includes no analysis on the following required areas:

- How Liberty prioritizes past-due work orders within the highest-risk areas;
- What alternatives to detailed inspections can be implemented; and
- How Liberty will handle the potential for greater-than-average increases in work order numbers due to missing a year of detailed inspections.

The analysis provided in Liberty’s Revised 2023-2025 WMP is therefore incomplete.

Even if Liberty remains in compliance with General Orders 95 and 165, a yearlong cessation of detailed asset inspections may increase the wildfire and other safety risks to Liberty customers. Detailed inspections uncover more problems than standard patrol inspections. Liberty’s current approach – stopping detailed inspection work in favor of catching up on problems identified by previous detailed inspection work – stems from its failure to adequately plan for increased repair needs and to deploy resources to meet the increased workload.^{21 22}

¹⁹ Liberty’s Revised 2023-2025 WMP at 190: “To complete this work, Liberty will target an estimated 1,500 completed repairs per quarter through 2025.”

²⁰ Revision Notice at 7.

²¹ *Comments of the Public Advocates Office on Liberty’s 2023 to 2025 Wildfire Mitigation Plan*, June 29, 2023, at 15.

²² *Comments of the Public Advocates Office on the 2023 to 2025 Wildfire Mitigation Plans of the Large Investor-Owned Utilities*, May 26, 2023, at 33. (Cal Advocates has noted a similar issue with PG&E:

Energy Safety should require Liberty to submit a complete analysis that meets all five of the requirements set forth in the Revision Notice.²³ Liberty's responses fail to address Energy Safety's directive to analyze the risk implications of not completing detailed distributions inspections for a year.

3. Energy Safety should require Liberty to provide the required options analysis of reducing versus completely halting detailed inspections.

Energy Safety's Revision Notice requires Liberty to provide an analysis of all options to address its backlog of past-due work orders. Liberty is required to conduct an analysis that compares the option to reduce the number of detailed asset inspections with that of halting all detailed asset inspections. However, Liberty's Revised WMP fails to provide this analysis in full. An adequate response would include details such as the pros and cons, the expected cost, and the feasibility of each option.²⁴

The analysis provided by Liberty focuses solely on one option (halting detailed overhead inspections) with no information regarding the option to reduce the number of detailed overhead inspections in 2023. Rather than provide a detailed analysis comparing both options, Liberty merely states:

Liberty will remain compliant with General Orders 95 and 165 during 2023 without completing any overhead detailed inspections. The safety risk of halting detailed overhead inspections in 2023 is minimal.²⁵

Liberty fails to provide any additional information or data to explain how it arrived at the conclusion that the safety risk is minimal. Liberty should be required to provide all relevant evidence that supports this statement. As currently presented, Liberty's conclusion is highly speculative.

PG&E states that its backlog is due to enhanced, improved inspections. However, PG&E failed to comply with GO 95 through the 2020-2022 WMP period because it made no reasonable efforts to increase its workforce and appropriately allocate resources to come into compliance.)

²³ Revision Notice at 7.

²⁴ Revision Notice at 6.

²⁵ Revised 2023-2025 WMP at 190.

Liberty fails to provide a reasonable comparison as to which option was the best approach to address Liberty's backlog of past-due work orders. Given Liberty's incomplete response, it has not shown that its decision to halt detailed overhead inspections in 2023 is reasonable. More importantly, Liberty failed to follow the directives in Energy Safety's Revision Notice to analyze potential advantages or disadvantages of each alternative.

4. Energy Safety should require Liberty to perform and submit the required analyses prior to final approval of Liberty's 2023-2025 WMP.

Liberty's responses to Critical Issue RN-LU-23-03 are incomplete. Liberty does not provide an adequate analysis that compares the two options that Liberty could have applied while it addressed its backlog of past-due work orders. Liberty also fails to meet the minimum requirements of the second analysis (in which Liberty is supposed to examine the risk implications from not completing detailed distribution inspections for a year). Liberty's responses to the Revision Notice do not justify its decision to halt detailed overhead asset inspections during 2023.

Liberty should be required to submit the two completed analyses, per the requirements in the Revision Notice, prior to final approval of Liberty's 2023-2025 WMP. In both responses, Liberty should provide specific evidence, rather than relying on broad and unsupported statements.

III. CONCLUSION

Cal Advocates respectfully requests that Energy Safety adopt the recommendations discussed herein.

Respectfully submitted,

/s/ *Marybelle C. Ang*

Marybelle C. Ang
Attorney

Public Advocates Office
California Public Utilities Commission
505 Van Ness Avenue
San Francisco, California 94102

October 23, 2023

Telephone: (415) 696-7329-7067
E-mail: Marybelle.Ang@cpuc.ca.gov